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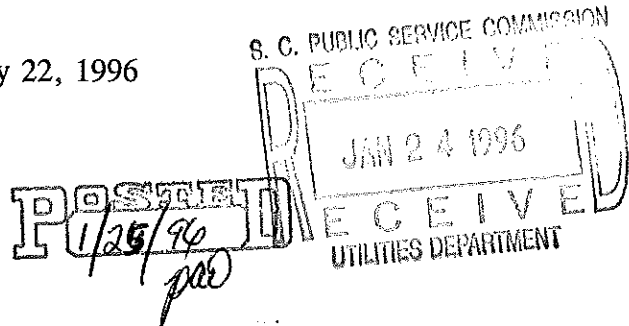
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January 22, 1996

Mr. Gary E. Walsh
Deputy Executive Director
South Carolina Public Service Commission
Post Office Drawer 11649
Columbia, South Carolina 29211



Re: Cherokee County Cogeneration Partners, L.P. -- Purchased Power Agreement
with Duke Power Company (SCPSC Docket No. 94-615-E)

Dear Gary:

Please find enclosed ten (10) copies of Amendment No. 1 to the Purchased Power Agreement ("the PPA") between Cherokee County Cogeneration Partners, L.P., ("Cherokee") and Duke Power Company ("Duke"). Cherokee and Duke executed Amendment No. 1 in November 1994, before the hearing in the above-referenced matter and before the Commission's Order No. 95-26, dated January 12, 1995, which approved the PPA and required the submission of amendments and modifications. Amendment No. 1 has not been previously submitted to the Commission.

Amendment No. 1 extended a date in Article 2.5 to March 1, 1995, thirty (30) days after which either party could terminate the PPA if the Commission had failed to issue a satisfactory order approving the PPA. Since the Commission approved the PPA well in advance of March 1, 1995, the provisions of Article 2.5, as modified by Amendment No. 1 were not later applicable.

Please make the necessary arrangements to include notification and explanation of Amendment No. 1 in your discussion at the Commission's meeting on January 23, 1996. I apologize for any inconvenience which this submission might cause you or the Staff.

Thank you for your time and attention to this matter.

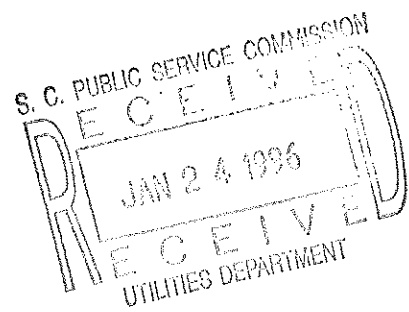
Very truly yours,

Robert T. Bockman

/eab

Enclosures

cc: Jeffery M. Trepel, Esquire
John C. Hooker



AMENDMENT No. 1

CHEROKEE COUNTY COGENERATION PARTNERS, L.P. and DUKE POWER COMPANY do hereby mutually agree and consent to the amendment of the Purchased Power Agreement for the Gaffney Cogeneration Facility between the parties, dated August 26, 1994, which Agreement is hereby modified in the following respect only:

Section 2.5: Change "December 1, 1994" to "March 1, 1995".

Except as expressly modified herein, the said Purchased Power Agreement shall remain in full force and effect and is hereby ratified and affirmed.

ATTEST:

Robert T. Jones Jr.
Assistant Secretary

DUKE POWER COMPANY

By William F. Reiche
Vice President

ATTEST:

Gordon C. Osmond
Gordon C. Osmond
Assistant Secretary

CHEROKEE COUNTY COGENERATION
CORP., as a General Partner on behalf of

CHEROKEE COUNTY COGENERATION
PARTNERS, L.P.

By John C. Hooker
John C. Hooker
President